

AGT

AVI GLOBAL TRUST

Offering a unique perspective

Half Year Report 2024



AVI

Established in 1889, the Company's investment objective is to achieve capital growth through a focused portfolio of investments, particularly in companies whose shares stand at a discount to estimated underlying net asset value.

TOTAL ASSETS[†]**£1.1 billion*****ANNUALISED NAV TOTAL RETURN[†]****11.8% ******EXPENSE RATIO[†]****0.88%**

* As at 31 March 2024.

** Source: Morningstar, performance period 30 June 1985 to 31 March 2024, total return net of fees, GBP. The current approach to investment was adopted in 1985.

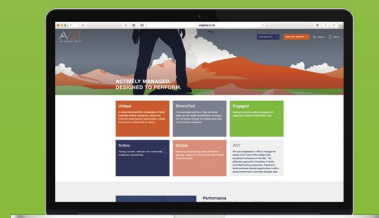
† For definitions, see Glossary on pages 23 and 24.

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Retail Investors Advised by IFAs

AVI Global Trust Plc ('AVI Global Trust' or 'the Company') currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers ('IFAs') in the UK to ordinary retail investors in accordance with the Financial Conduct Authority rules in relation to non-mainstream investment products and intends to continue to do so. The shares are excluded from the Financial Conduct Authority's restrictions which apply to non-mainstream investment products because they are shares in an authorised investment trust.



The Company is an Alternative Investment Fund ('AIF') under the European Union's Alternative Investment Fund Managers' Directive ('AIFMD'). Its Alternative Investment Fund Manager ('AIFM') is Asset Value Investors Limited ('the Investment Manager'). Further disclosures required under the AIFMD can be found on the Company's website: www.aviglobal.co.uk.

ISA Status

The Company's shares are eligible for Stocks & Shares ISAs.

We maintain a corporate website containing a wide range of information of interest to investors and stakeholders: www.aviglobal.co.uk



FINANCIAL HIGHLIGHTS

- Net asset value ('NAV') total return per share increased +13.9%
- Share price total return +16.0%
- Benchmark index[†] increased on a total return basis +16.1%
- Interim dividend maintained at 1.2p

PERFORMANCE SUMMARY

	Six months to 31 March 2024	Six months to 31 March 2023
Net asset value per share (total return)^{1*}	+13.9%	+5.3%
Share price total return*	+16.0%	+5.5%
	31 March 2024	31 March 2023
Discount* (difference between share prices and net asset value)²	9.4%	10.4%
	Six months to 31 March 2024	Six months to 31 March 2023
Earnings and Dividends		
Investment income	£9.99m	£9.40m
Revenue earnings per share	1.38p	1.28p
Capital earnings per share	30.28p	9.42p
Total earnings per share	31.66p	10.70p
Ordinary dividends per share	1.20p	1.20p
Expense Ratio (annualised)*		
Management, marketing and other expenses as a percentage of average shareholders' funds	0.88%	0.84%
	High	Low
Period Highs/Lows		
Net asset value per share	252.88p	207.84p
Net asset value per share (debt at fair value)	255.40p	211.81p
Share price (mid market)	231.50p	187.80p

1 As per guidelines issued by the Association of Investment Companies ('AIC'), performance is calculated using net asset values per share inclusive of accrued income and debt marked to fair value.

2 As per guidelines issued by the AIC, the discount is calculated using the net asset value per share inclusive of accrued income and with the debt marked to fair value.

Buybacks

During the six months ended 31 March 2024 the Company purchased 11,596,895 Ordinary Shares for cancellation for an aggregate consideration of £24,245,000 adding +0.2% to AGT's NAV.

*Alternative Performance Measures

For all Alternative Performance Measures included in this Report, please see definitions in the Glossary on pages 23 and 24.

† MSCI All Country World Index, please refer to the Glossary on page 23 for further information.

Chairman's Statement

Having traded in a range of approximately 180p-200p since the beginning of 2022, the share price increased steadily following a dip in October 2023 and ended the period at over 230p. Over the six months from 30 September 2023 to 31 March 2024, the share price total return¹ was +16.0%, while the NAV total return¹ was +13.9%, a commendable return which was driven by some notable successes which are described in more detail in the Investment Manager's Report.

Over the six months under review, stock markets reacted positively to macroeconomic news, which was better than had previously been expected, with fears of recession and inflation abating. Market returns were driven both by this news and by continued excitement around the prospects for Artificial Intelligence ('AI'), which drove up the share prices of a small number of very large companies which form a high proportion of our benchmark index. The return on our comparator benchmark, the MSCI AC World Index, was +16.1% over the six-month period. Our Investment Manager has a broad-based approach and focuses on investing in companies which, in general, combine growth prospects with attractive share price valuations and, while not focusing on the fashionable parts of the market, was able to deliver strong returns for shareholders.

Revenue and dividend

Revenue earnings for the period were 1.38p per share. The Board has elected to pay an interim dividend of 1.2p per share, which is the same as last year. The Board recognises that a dividend which is steady and able to rise over time is attractive to many shareholders and, while we do aim to grow the dividend over time, I would like to repeat my previous statement that the portfolio is managed primarily for capital growth.

Share price rating and marketing

AGT has a substantial marketing budget and the Board works closely with AVI as it seeks to generate demand for the shares. Each month AVI produces an informative fact sheet which is available on our website and I encourage you to register on the site to receive these when they are published. AVI is also active in the media – both traditional and increasingly social media – as we seek to promote our investment proposition to a growing investor base. The Board is pleased to note that our marketing efforts have resulted in a substantial increase over time in the number of shares owned via retail investment platforms, and indeed these platforms make up four of our top five shareholders.

In common with many investment trusts, our shares continued to trade at a frustratingly persistent discount. We use share buybacks when the discount is unnaturally wide and when the Board believes that buying back shares is in the best interests of shareholders. This is also an approach that our Investment Manager encourages for many of our investee companies. There are periods when we buy back shares on most working days and, during the six months under review, 11.6 million shares were bought back, representing 2.3% of the shares in issue as at the start of the period. As well as benefiting shareholders by limiting the discount at which they could sell shares if they so wish, buying back shares at a discount also produced an uplift in value to the benefit of continuing shareholders, of approximately 0.2%.

In April we announced that Panmure Gordon had been appointed as the Company's corporate broker. We look forward to working with the team at Panmure Gordon, particularly in seeking to find new shareholders. I would also like to thank our previous corporate brokers, Jefferies, for their help and support over the last several years.

In the 2023 Annual Report I raised the issue of the unintended consequences on the investment trust industry of recent regulatory pronouncements relating to Consumer Duty in respect of cost disclosures. In particular, the inclusion of costs embedded in our underlying investee funds in the overall cost figures disclosed in relation to your Company is misleading. The apparent lack of understanding associated with this disclosure and the consequent misinterpretation puts us at an unreasonable disadvantage when it comes to assessing the value of investing in the Company. This could lead to a reduced demand for our shares. For example, the Board is aware that both the potential for new investment in the Company and the reinvestment of dividends issued by the Company have been blocked for investors using the fidelity.co.uk platform. We have requested the management of the Fidelity platform to explain the reasons that have caused them to suspend investment in your Company's shares on their platform. Rest assured we have taken this extremely seriously and have raised the issue and in particular the lack of transparency with the Financial Conduct Authority and our trade body the AIC. More broadly, efforts also continue to find a solution to correct the misleading approach to cost disclosure by putting pressure on government and regulators. We remain hopeful that the result will be a fair and logical outcome although recognise that the UK General Election may cause delays in any decisions to change the disclosure regime.

Annual general meeting

All resolutions at the Company's AGM on 20 December 2023 were passed by a large majority and I would like to thank shareholders for their continuing support. It was good to meet a number of shareholders at the meeting. We welcome the opportunity to engage with shareholders and if you have any questions or points that you would like to raise with the Board, please send an email to aviglobal_cosec@linkgroup.co.uk or write to: The Company Secretary, AVI Global Trust PLC, 65 Gresham Street, London EC2V 7NQ.

Outlook

Stock market returns over the six months under review were very strong but I would caution that economies and markets are not immune from further headwinds. While better than expected economic news helped to propel markets, there is a risk of setbacks and the geopolitical background remains unstable, both of which could cause markets to fall.

Against this background our Investment Manager describes a number of opportunities for growth in the investment portfolio. Their focus on acquiring stakes in companies at attractive valuations has proven resilient and their persistence in pursuing value was demonstrated, for example, by the takeover bids for Hipgnosis Songs Fund in April. As ever, there will be unexpected events along the way but we are optimistic that the portfolio and investment process are well set to continue delivering attractive returns.

Graham Kitchen
Chairman

4 June 2024

¹ An Alternative Performance Measure: see Glossary.

Investment Manager's Report

PERFORMANCE REVIEW

Your Company's NAV is some +23% higher than when we wrote to you this time last year. At the time sentiment was dour; investors were fretting as to the potential fallout from the collapse of Silicon Valley Bank; inflation remained stubbornly high; and the deeply inverted yield curve was flashing red that the most anticipated recession in recent history was about to bite.

A year on and there has been no real contagion from the regional banking crisis, with the actions of the United States Federal Reserve having ensured financial stability. The picture on inflation has certainly improved, but we are not off the mountain just yet. And a recession remains the watched pot that hasn't boiled, with the economy proving much stronger than many had anticipated.

These better-than-expected developments, combined with strong share price performance of a narrow-band of US technology companies, that are thought to be beneficiaries of AI, has propelled markets to new all-time highs.

For the interim period since September, AGT has produced a NAV total return of +13.9%. This was slightly behind the performance of our comparator benchmark, the MSCI AC World Index (£), which returned +16.1%.

From the very wide levels observed in October 2023 – when the portfolio weighted average discount hit 37.0% – discounts have started to narrow, such that the weighted average discount at period end stands at 31.5%. We have taken advantage of this, fully exiting positions in Pershing Square Holdings and Godrej Industries, and reducing positions in strong performers, Schibsted, FEMSA, KKR and Apollo.

KKR was the standout performer adding +253bps to returns. Having initiated a position in the company in 2020, we have held a decidedly different view to the market on the durability of the company's earnings power and growth prospects. The market has been coming round to our way of thinking, with the shares up by +319% over that time, and we have been reducing the position.

We continue to believe this is a stock picker's market, and a market where a focus on events, catalysts, and activism to crystallise value is important. Illustrative of this is Schibsted, which has undergone significant structural simplification (detail below) and was one of the strongest performers over the period.

Over the six-month period we have been adding to News Corp, D'leteren, Bollre and Entain, all of which have attractive underlying fundamentals and NAV growth prospects combined with potential catalysts.

Despite Hipgnosis Songs Fund being a detractor over the interim period and requiring a lot of work and intensive engagement from our investment team, a takeover battle subsequent to the period end has resulted in an excellent outcome for shareholders. We expand on this on page 9 of this report.

Contributors and Detractors for the six months ending 31 March 2024

	Contribution†
Contributors	
KKR and Co	2.53%
Schibsted 'B'	1.77%
D'leteren Group	1.21%
Godrej Industries	1.08%
News Corp	1.07%
Detractors	
Symphony International Holdings	-0.82%
Aker ASA	-0.52%
Entain	-0.46%
Hipgnosis Songs Fund	-0.39%
Keisei Electric Railway	-0.12%

More generally, over the last 18 months our exposure to closed-end funds has increased. There is a structural lack of interest in such companies, almost entirely for non-fundamental reasons, and we believe this to be an attractive opportunity set with discounts at wide levels where we can add value through activism.

The opportunity for engagement in Japan also remains compelling. Long-term readers of our reports will know that we have spent a significant amount of focus on Japanese small-cap equities since 2016/17, when it became clear to us that the winds of change had begun to blow, and that the corporate governance reform agenda had gained critical momentum.

2023 was something of a (re) coming out party for Japanese equities – which are becoming increasingly relevant again to international equity investors, who have grown to appreciate the very clear agenda of the Tokyo Stock Exchange ('TSE') and other authorities in unlocking corporate value. As is to be expected, flows have concentrated on larger cap companies, which have outperformed smaller caps. For unhedged international investors (such as ourselves) the continued depreciation of the Yen has proved a headwind. We do not expect this to persist indefinitely.

Far from the madding crowd of increasingly concentrated equity markets, it remains an exciting and fruitful time for our approach to investing. Discounts have started to narrow but remain relatively wide by historical standards and we are finding a high number of attractive opportunities from all parts of our universe. Reflective of this, net gearing (debt at fair value) has continued to increase and stands at 9.6% as of the period end.

As we look ahead, we remain humble in the unpredictability of financial markets and macro events. Our conviction, however, is built from the bottom up. We have assembled a concentrated-yet-diverse collection of companies that should compound NAV at attractive rates; discounts are generally wide and across the portfolio there are numerous potential corporate catalysts to unlock value. We believe this to be an attractive medley.

† Contribution is the percentage amount that a position has added to the Company's net asset value over the six-month period.

Investment Manager's Report continued

CONTRIBUTORS

KKR & Co

(Discount: 5.4%/Contribution: +2.53%)



KKR was the largest contributor to AGT's returns over the six-month period, adding 2.53% to NAV as its share price soared +64%. Since the position entered the portfolio in 2020, it has been a very strong source of returns for AGT. Our thesis back then was that the listed alternative asset management sector was systematically undervalued, and that KKR (and Apollo, which we also own) was itself undervalued relative to peers.

While the market seems to have since come closer to our way of thinking, the level of share price volatility suggests alternative asset managers are still perceived as high beta plays on risk assets. While we concede that both KKR and Apollo have more on-balance sheet risk than peers, our contention is that the market underestimates the defensive characteristics of scale-advantaged managers that earn fees on long-dated committed capital, and the powerful tailwinds for structural growth across the industry. This volatility has inured to the benefit of AGT shareholders as we have opportunistically added to our shareholding in periods of weakness.

During the period, KKR announced it was to acquire the 37% of life insurer Global Atlantic that it did not already own. This was taken well by the market, as was the accompanying announcement of a further shareholder-friendly change to the company's compensation structure.

In the words of KKR co-CEO Scott Nuttall, Global Atlantic – in which KKR acquired a majority stake in 2020 – has been a 'home-run investment'. With Global Atlantic's assets more than doubling from the point of acquisition to today, it is hard to argue otherwise, with KKR's ownership also helping scale its real estate credit and asset-based finance businesses whose assets sit well on insurance company balance sheets.

The remaining stake in Global Atlantic was purchased at book value, the same multiple as the original acquisition and a low valuation for a mid-teens ROE business. Crucially, the \$2.7bn acquisition price was funded entirely in cash. There had been some fears, given the right the minority shareholders had to force KKR to either list the business or acquire it from them, that KKR would issue shares to pay for it. This is where KKR's remarkably strong balance sheet came into play, with the company having \$3.8bn in cash and with long-term fixed rate debt in place (at a weighted average interest rate of 3.9% and maturity of 2041).

We attended KKR's Investor Day in New York City in April, at which management laid out a clear path to more than tripling net income per share within ten years or less with multiple routes to achieving this forecast. In particular, Asia, Infrastructure, and Private Investment Grade Credit were identified as key market/asset classes given their capacity and where demand is spiking higher.

Blackstone's success in raising capital from private wealth channels has materially raised the total addressable market for the alternative asset managers. While KKR's presence in this space is still relatively nascent, they have invested heavily in distribution and expect 30-50% of new KKR capital to be sourced from private wealth channels over the next several years. The size of the market is so vast that even a small up-tick in allocations to alternatives could have seismic results, with an expected increase from 2% in 2022 to 6% in 2025 translating to an additional \$11trn of inflows. We expect there to be only a few winners in this space, consisting of the largest managers with the most recognised brands. Given this, it was highly encouraging to learn at the Investor Day that 2024 YTD inflows to 1 April had already reached \$2.8bn, a very sizeable increase on Q4-23's \$1.4bn.

Given the material re-rating in the shares, our investment in KKR is closer to its end than other still-heavily discounted names in our portfolio. That said, 2023 saw Blackstone become the first alternative asset manager to enter the S&P 500, and we believe it is a matter of time before KKR and Apollo are also selected for inclusion. This could lead to as much as 20% of their free float being bought by index-tracker and 'index-aware' investment vehicles.

Schibsted ASA

(Discount: 8.0%/Contribution: +1.77%)



Schibsted was the second largest contributor, adding +177bps to AGT's NAV.

It has been a busy period for the company which has undergone significant change and taken considerable steps to unlock value.

In the most recent Annual Report (page 41) we explained that Permira and Blackstone had entered negotiations to take Adevintra private. In November 2023, this came to fruition with a 115 NOK per share offer. The transaction – which is due to complete in Q2 of 2024 – will see Schibsted sell 60% of their 28% stake for 24bn NOK, which accounted for 48% of the preannouncement market cap (based on the B share price). Schibsted will retain an 11.1% stake in Adevintra post-transaction, which, at the 115 NOK per share value, equates to 16bn NOK (31% of Schibsted's preannouncement market cap).

Shortly thereafter, in early December 2023, Schibsted positively surprised both us and the market with the announcement that the Tinius Trust, the controlling shareholder, intends to acquire Schibsted's legacy News Media division and Schibsted's stake in Polaris Media for a combined value of 6.3bn NOK. This is a significant positive development that removes a terminally challenged, capital consuming problem child from the group structure. This will lead to an improvement in the consolidated financials, boost margins, reduce capex, increase returns on capital employed and improve cash conversion.

The combination of these two transactions has realised gross proceeds approaching 30bn NOK. 20bn NOK will be returned to shareholders, as special dividend, with a further 4bn NOK in buybacks and 5bn NOK used to extinguish net debt.

These steps have reduced structural complexity and shone a light on Schibsted's Nordic Marketplace assets – which have hitherto been overlooked. These businesses have dominant market positions, are under-monetised versus international peers, and have significant room for margin expansion, with EBITDA expected to grow at close to +20% p.a. over the coming years.

Reflective of the significant re-rating in the shares our position has been reduced by approximately 50% from its peak, such that Schibsted was a 5.1% stake as at the end of March 2024.

To date the investment – which was initiated slightly under two years ago – has delivered an IRR of +50% (in NOK).

D'Ieteren

(Discount: 32.6%/Contribution: +1.21%)



D'Ieteren was a meaningful contributor to returns during the interim period, adding +121bps to performance. Over the interim period the shares rose +29%, which was a function of +14% NAV growth and narrowing of the discount to 33% from 40%.

As readers may remember the bulk of the value (61% of NAV) lies in Belron, the global no.1 operator in the Vehicle Glass Repair and Replacement ('VGRR') industry which readers might be more familiar with as Autoglass (UK), Safelite (US) or Carglass (EU).

Belron is many multiples larger than competitors with more than 40% US market share, resulting in significant scale advantages in terms of purchasing economies of scale and cost leadership, as well as relationships with insurance partners who are industry gatekeepers and account for c.70% of jobs. Moreover, scale has allowed for technological investment, which has become increasingly relevant as advanced driver-assistance system ('ADAS') recalibrations – which require more expensive capital equipment – have grown to become a larger proportion of replacement jobs. 'Mom and pop' operators are increasingly ill-suited to meet the increased technical complexity required for new vehicles.

As such, we expect Belron to continue taking share and driving growth. For FY23 Belron grew sales by +9% organically with a further boost of +2% from M&A. A positive mix effect and price increases saw operating margins increase +226bps to 20.5%, which led operating profits to increase +22% year on year. For the year ahead, management are forecasting sales to grow at mid-to-high-single digits and margins to continue towards what for some time now has appeared a relatively modest 2025 margin target of 23%. We expect Belron to provide updated targets at next year's Capital Markets Day – which will be the first since Carlos Brito became CEO.

In 2021 a consortium of private equity investors (led by Hellman & Friedman) became minority shareholders in Belron at a €21bn enterprise value. We estimate that the enterprise value is closer to €24.5bn today (17x our 2024 estimated EBIT), and D'Ieteren's 50% equity interest accounts for 61% of D'Ieteren's NAV.

In due course we expect a liquidity event for these investors to help highlight Belron's significant value, and like to invest in situations such as this where we are aligned with highly incentivised PE co-owners and management teams. As such we see scope for a further narrowing of D'Ieteren's 33% discount, as well as NAV growth underpinned by strong earnings growth prospects. We added to the position by some +25% over the last six months.

Investment Manager's Report continued

CONTRIBUTORS CONTINUED

Godrej Industries

(Discount: 59.7%/Contribution: +1.08%)



Godrej Industries – the Indian holding company – added +108bps to returns during the interim period as the discount narrowed meaningfully. We took the opportunity to exit the investment.

Since 2019 AGT generated an ROI/IRR of +41%/+9%, in Sterling, having suffered from a -17% FX headwind and -10% return on account of a widening discount. The return was broadly in line with the MSCI ACWI (£) over the same period (+43%), however underperforming the MSCI India (+60%), with the discount widening having been an impediment to returns.

Whilst Godrej Industries owns a fundamentally attractive collection of underlying assets, and the controlling family have shown themselves to be good long-term stewards of capital, we took advantage of relatively fleeting liquidity in the shares. This has allowed for capital to be recycled into investments, such as those described in these pages, with clearer catalysts for discount narrowing.

News Corp

(Discount: 38.7%/Contribution: +1.07%)



In 2023 we initiated a position in News Corp, the Murdoch family-controlled holding company. The shares have performed strongly, adding +107bps to returns over the period. Today News Corp is your Company's largest position (8.3% weight) and embodies what we look for in an investment: attractive quality assets, trading at a discounted valuation, with prospective catalysts to unlock value.

Whilst the current structure was established in 2013, the relevant history dates back to 1952, when a 21-year-old Rupert Murdoch returned to Australia from Oxford to take over what was left of his father's newspaper business, which had been much diminished by death duties and taxes. From this he built one of the most dominant media empires of the 20th – and indeed 21st – century, amassing vast wealth and notoriety in the process.

Today we believe that News Corp is one of the most misvalued and misunderstood companies in our investment universe, trading at a 38.1% discount to our estimated NAV. The NAV is principally comprised of the following assets: a 62% listed stake in REA Group (41% of NAV), the Australian real estate classified marketplace, and unlisted assets Dow Jones, HarperCollins and Move accounting for 37%, 10%, and 7%, respectively.

In particular, Dow Jones is a crown jewel asset that has successfully evolved the Wall Street Journal into a thriving digital consumer business, whilst both organically and inorganically building a high-quality Professional Information business that warrants a premium multiple, reflective of its sticky and growing revenues, high margins, and minimal capex requirements. The 2021 acquisition of OPIS for \$1.1bn marks a step-change in the importance and materiality of Dow Jones' Professional Information business. The value and quality of this business is misunderstood by the sell side and ignored by the market.

Adjusting for the stake in REA, the stub trades at an implied value of \$5.4bn, or approximately 4.7x next year's EBITDA. We estimate that Dow Jones alone is worth ~1.6x the implied stub value and note that the New York Times trades at 15x and Info Services peers trade between 19-29x. Management have become increasingly vocal about the undervaluation.

As CEO Robert Thomson described on the last earnings call, the company is engaged in "serious introspection about structure...and how to fully monetize a precious, prestigious portfolio that has an obvious growth trajectory. That is indeed not an evolution, but a revolution".

At current prices, the market is seemingly ascribing a low probability to 'a revolution', with significant upside if management do indeed take concrete and tangible steps to unlock value. Combined with strong operating and earnings momentum, prospective returns appear attractive.

DETRACTORS

Symphony International Holdings**(Discount: 49.8%/Contribution: -0.82%)**

Symphony International ('SIHL') was our largest detractor over the period with a -24% decline in its (US Dollar denominated) share price exacerbated by a Sterling rally from the lows reached during the brief Liz Truss-led government. The share price decrease was almost entirely due to a widening discount which expanded from 36% to 50%.

To recap, SIHL is a London-listed investment company with a focus on predominantly unlisted (85% of current NAV) Asian consumer and real estate businesses. The investment, initiated in 2012, has been weak in absolute and relative terms with an IRR of just over 5% over our holding period. As the largest independent shareholder, we have worked to improve corporate governance at the company and unlock value trapped in the persistently wide discount at which the shares have traded. This culminated in a 2021 public campaign to **Save Symphony**. In September 2023, the company announced it would pursue an orderly realisation of its investments.

As such, our ultimate returns from SIHL will depend on the prices at which it realises its investments and the timeframe over which these realisations take place, rather than its share price on the screen at any particular point in time. SIHL's shares trade at a sizable bid-offer spread (10% at 31 March 2024), are tightly-held and thinly traded, and are heavily impacted in both directions by relatively small order sizes. Indeed, since the half year-end, the shares are up +13% as at 30 April 2024.

That SIHL's shares trade at such a wide discount despite the company having adopted a managed wind-up strategy reflects, in our view, scepticism around a management team that has historically prioritised its own interests over those of shareholders; uncertainty over the timeframe over which realisations will take place; and – as is often the case with investment companies with unlisted assets – wariness over whether the carrying values of assets are an accurate reflection of realisable values.

We understand these concerns. However, we contend that while the management team continues to add to their already substantial shareholdings, they have little incentive to maintain or increase reported valuations to artificially high levels and that an incentive may in fact exist in the opposite direction. That said, they also have little incentive to expedite asset sales and returns of capital while they still believe there is stock available to purchase to add to the over one-third of the company held by management and the board. Noting the pace of management purchases has slowed recently in the face of low volumes, we may not be far from the point where their attention turns to unlocking the value in their shareholdings trapped by the huge discount to NAV. Based on secondary market transactions, it is plausible that a sale of SIHL's minority stake in Vietnamese logistics player Indo-Trans Logistics could generate proceeds covering well over half of the company's current market cap.

Aker ASA**(Discount: 23.5%/Contribution: -0.52%)**

Aker was a detractor over the interim period. The shares declined by -3% on a total return basis, as a -4% decline in the NAV was ever so slightly cushioned by a small narrowing of the discount to 24%. AGT suffered from a -490bps weakening of the NOK versus Sterling.

Sluggish NAV performance is largely attributable to Aker BP (60% of NAV), which has underperformed peers and rising oil prices – particularly in calendar year 2024, during which period the shares declined by -6% whilst oil prices have risen by +13%.

Production guidance for 2024 was slightly softer than the market had anticipated, with increased uncertainty regarding the eventual plateau of the Johan Sverdrup oilfield and whether this would occur in late 2024 or during 2025. With Johan Sverdrup having consistently outperformed expectations since production started in 2019 this has been digested poorly by the market, with Aker BP shares now trading on a 9.4% dividend yield – a level rarely observed in the company's history. This appears good value to us for a low-cost-low-emission producer operating in a stable and attractive fiscal regime. We believe that operators such as Aker BP, with a long-dated production schedule, are likely to prosper in a world where oil will play an important and elongated role in the energy mix, and there is limited supply.

Accessing this on a 24% discount with a strong alignment of interest and a controlling shareholder with a track record of significant value creation is highly attractive.

Investment Manager's Report continued

DETRACTORS CONTINUED

Entain

(Discount: 33.7%/Contribution: -0.46%)



During the interim period, we started to build a position in Entain, the London-listed sports betting and gambling company. The shares continued to fall throughout the period as we averaged down, detracting 46bps from returns.

We came across Entain through our long-standing investment in IAC (3% of AGT NAV), which has a stake in MGM Resorts International; in turn, Entain and MGM are joint venture partners in BetMGM, one of the leading online sports betting and iGaming brands in the nascent US market. We believe this to be a highly desirable asset in a rapidly growing market that, we believe, will coalesce around a handful of operators.

Today, Entain has three principal assets at different stages of maturity, with the true value being masked by the current structure of the company. These are the online operations (68% of portfolio), retail operations (11%) and the 50% equity accounted stake in BetMGM (21%).

Entain's online operations have undergone a significant period of regulatory change across multiple key markets, with the UK being the most notable. In the short-run regulation can be hugely disruptive for gambling companies, but in the long-run it acts as a barrier to entry and entrenches the position of incumbents, such as Entain.

That said, Entain's handling of these UK changes has been subpar, taking a more tailored approach to the regulation than rivals which has added complexity and confusion, particularly for customers. The broader implementation of these regulatory changes has not been universal, with Entain (and other tier-one operators) ceding market share to tier-two and tier-three rivals, who have yet to put these changes through. With the new rules likely to be enforced in September 2024, expectations are for some degree of reversal in market share losses. Management has set aside £40m in marketing spend in anticipation of this.

BetMGM has continued to see its estimated market share erode, with the gap to industry leaders widening over 2023. The key culprit for this erosion has been a product gap with peers. Given that Entain provides the technology for BetMGM, it was up to them to come up with solutions. Through organic investment and some small M&A, BetMGM's product has improved materially over 2023, closing the product gap. Management now has a degree of confidence in the product, indicating that 2024 will be a 'year of investment' focusing on marketing to try to claw back some market share.

Given the equity-accounted nature of BetMGM, we do not believe that its true value is currently being captured in Entain's valuation. Based on our carrying value, BetMGM makes up an estimated 52% and 29% of Entain's market cap and enterprise value, respectively. As a result, we estimate the stub trades at 9.1x NTM* EBIT versus a peer group average of 12.9x and Entain's longer-term average of 14.2x. This equates to an implied 9.3% FCF** yield.

Since December, there has been significant change at both the managerial and board levels. Jette Nygaard-Andersen stepped down as CEO, having successfully guided the company through an HMRC investigation but whose limited gambling experience started to show. She was replaced by Stella David, an independent board member, on an interim basis, with positive early impressions.

After the interim period ended, it was announced that the chairman of the board, Barry Gibson, is to step down with Stella replacing him. We view these changes positively, and another step in repairing some of the damage done over the last couple of years.

We believe that organic growth, earnings, sentiment, and valuation are at the lows. With a swarm of activists on the shareholder register – and indeed now on the board – we do not believe that the current valuation will persist indefinitely with numerous potential paths to unlock value, not least from BetMGM which is a highly strategic asset.

* NTM EBIT = forecasted EBIT for the next twelve months.

** FCF = Free cash flow (Operating Cash flow – Capex).

Hipgnosis Songs Fund

(Discount: 24.8%/Contribution: -0.39%)



While Hipgnosis Songs Fund ('SONG') may have been a detractor over the period covered by this report, events after the period end have resulted in substantial gains for AGT shareholders.

A bidding war was triggered in April 2024 when Concord – a music rights firm backed by Apollo – announced a binding offer for SONG at a price of \$1.16-\$1.18 per share. Blackstone, the majority owner of Hipgnosis Songs Management (the Manager of SONG), ultimately prevailed with a bid of \$1.30 per share. This represents a premium of +47% to the undisturbed share price.

This marks the end of a highly successful investment for AGT, in which we played a key role in fighting off the proposed related-party sale of a portion of SONG's catalogues and also making the case against the company continuing in its present form. Resolutions proposing each matter were heavily defeated at shareholder meetings. With two directors resigning on the eve of the AGM and the then-Chairman suffering a resounding vote against his re-election, we and other shareholders engaged with the remaining rump to push for the appointment of two new directors – Robert Naylor and Francis Keeling – who had just stepped down from SONG's peer company Round Hill Music Royalty Fund ('RHM') following its acquisition by Concord. Both were appointed with Robert immediately installed as Chairman.

We are delighted with an outcome that has not only generated a very strong return for AGT's shareholders but has demonstrated again both the value of shareholder activism and the critical importance of having the right people on Boards. The new directors joined the company at a time of crisis and engineered an excellent outcome for shareholders in a timeframe few would have felt possible at the time of their appointment. With no viable future as an ongoing listed vehicle, the key task facing the new appointees was how best to generate competitive tension in a situation where, under the terms of the Investment Management Agreement, the Manager had a call option allowing them to purchase the portfolio in the event of their termination. The investigatory work conducted by the Board and their advisors, some of the fruits of which were made public, led to an understandable perception that there existed more than sufficient grounds to terminate the Manager 'for cause', which would invalidate the option.

We think it likely that this, alongside other measures introduced by the newly-reconstituted Board, gave Concord the confidence to make their initial bid and resulted in a higher price ultimately being achieved for the company than would otherwise have been the case. We applaud the new directors' fortitude and shrewd handling of a highly complex situation.

AVI's involvement with SONG began several years ago. Following research on French holding company Vivendi and its investment in UMG, we could see the attractions of the music rights asset class. As a pure play on catalogue, SONG had its attractions and we established a small position in late-2020 with part of our thesis being that SONG would likely be a takeover target once it had achieved scale. That element of the thesis broke down in October 2021 with the acquisition of a majority stake in the Manager by Blackstone. Given Blackstone's deep pockets, we felt the Manager's call option over the portfolio was much more likely to impede any competitive sales process in the future.

When combined with growing concerns over transparency, earnings quality, and governance, we took the decision to exit the position and sold over 60% of our shareholding in late-21/early-22 at modest profits on our purchase price before the share price began to decline rapidly along with other alternative income vehicles deemed to be interest-rate sensitive. We were left with a residual shareholding that equated to a 0.8% stake in the company.

Our full attention turned back to the company following Concord's bid for RHM in September 2023, just ahead of SONG's continuation vote and its proposal to sell a portion of its catalogues to Blackstone in a related party deal. We increased our stake almost ten-fold over the following six months and generated a return on our overall investment of almost double that of AGT's MSCI AC World benchmark. We sold out of our position in Hipgnosis late May 2024, and generated a +39% total return/+73% IRR on the position acquired in late 2023/early 2024 (vs +13%/+24% respectively for the benchmark).

Keisei Electric Railway

(Discount: 31.6%/Contribution: -0.12%)



Keisei Electric Railway was a small detractor over the period, shaving off -12bps from AGT's NAV as the shares have returned -2% since we initiated our position on 6 November.

We initiated a position in the Japanese railway operator due to its 21% stake in the listed theme park operator – Oriental Land ('OLC') – which accounts for 167% of Keisei Electric's market cap pre-tax.

OLC offers exposure to Japan's largest theme parks – Tokyo Disneyland and Tokyo DisneySea – which are also two of the most visited theme parks in the world (#2 and #4). OLC also owns six high-quality Disney-themed park hotels, a further three hotels through subsidiary Miiial Resorts, and the facilities surrounding the park area – monorail, shopping mall, and theatre.

All of this is built upon a 2,000,000m² bank of land owned by OLC (roughly the size of Monaco) which is located close to central Tokyo and within easy reach of approximately 30m high income households.

In the context of wider corporate governance reforms, we felt that Keisei Electric's stake in OLC could become a potential target for unwinding given the lack of synergies between the two companies and the outsized proportion of value that it represents to Keisei. Given the underlying business quality of both the railway operations and of OLC, we felt that we could be patient and await any unlocking of this value.

On 7 March, the company announced that it would be cutting its stake in OLC by 1 percentage point from 22.15% to 21.15%. This news disappointed the wider market, which had clearly been hoping for a more significant stake sale, sending the shares down by -9% on the day.

We consider this news to be a significant step-change, however, demonstrating that the company does not view OLC as a sacred asset, and that this could open the door for further stake sales in the future. Should we see any further unwinding of OLC, this will likely lead to outsized prospective returns from a significant unlocking of value.

Joe Bauernfreund
Asset Value Investors Limited

4 June 2024

Investment Portfolio

At 31 March 2024

Company	Portfolio classification	% of investee company	IRR (% , GBP) ¹	ROI (% , GBP) ²	Cost £'000 ³	Equity Exposure ⁴ £'000	% of net assets
News Corp	Holding Company	1.0%	25.7%	18.0%	64,701	75,982	6.7%
Oakley Capital Investments	Closed-ended Fund	8.9%	22.3%	117.9%	32,408	72,562	6.4%
D'leteren Group	Holding Company	0.7%	31.1%	34.2%	49,618	65,852	5.8%
Princess Private Equity	Closed-ended Fund	10.0%	16.4%	15.1%	58,183	63,764	5.6%
Hipgnosis Songs Fund	Closed-ended Fund	7.5%	-8.1%	-6.1%	71,665	62,198	5.4%
Schibsted 'B'	Holding Company	1.1%	36.3%	47.7%	34,838	58,174	5.1%
Bollore	Holding Company	0.4%	nm	5.3%	54,685	57,556	5.0%
Aker ASA	Holding Company	1.6%	15.9%	70.2%	57,155	55,496	4.9%
FEMSA	Holding Company	0.2%	28.1%	91.3%	28,970	54,782	4.8%
Pantheon International	Closed-ended Fund	2.9%	21.4%	23.8%	34,648	43,243	3.8%
Top ten investments					486,871	609,609	53.5%
Christian Dior	Holding Company	0.0%	25.9%	110.6%	21,120	41,442	3.6%
Apollo Global Management 'A'	Holding Company	0.1%	34.1%	114.2%	19,240	41,441	3.6%
Chrysalis Investments	Closed-ended Fund	7.7%	nm	5.9%	36,118	38,263	3.4%
KKR and Co	Holding Company	0.1%	40.2%	218.1%	9,686	35,145	3.1%
IAC/InterActive Corp	Holding Company	1.0%	-23.8%	-33.8%	64,482	34,905	3.1%
Third Point Investors	Closed-ended Fund	4.3%	7.4%	40.9%	23,728	31,251	2.7%
Entain	Asset-backed Special Situation	0.6%	nm	-14.6%	33,872	28,920	2.5%
GCP Infrastructure Investments	Closed-ended Fund	4.4%	nm	7.9%	26,088	27,474	2.4%
Nihon Kohden	Asset-backed Special Situation	1.5%	4.5%	5.5%	26,028	27,302	2.4%
Dai Nippon Printing	Asset-backed Special Situation	0.4%	25.5%	15.7%	23,390	26,990	2.4%
Top twenty investments					770,623	942,742	82.7%
EXOR	Holding Company	0.1%	11.7%	47.7%	13,574	24,780	2.2%
Kyoto Financial Group	Asset-backed Special Situation	0.6%	42.7%	35.5%	18,288	24,471	2.2%
Symphony International Holdings	Closed-ended Fund	15.7%	5.2%	31.2%	26,636	23,314	2.1%
Toyota Industries	Asset-backed Special Situation	0.1%	nm	20.2%	18,135	21,835	1.9%
Irish Residential Properties	Asset-backed Special Situation	4.2%	nm	1.2%	19,565	19,792	1.7%
Frasers Group	Holding Company	0.5%	nm	-5.1%	20,811	19,753	1.7%
Hachijuni Bank	Asset-backed Special Situation	0.5%	44.5%	51.6%	10,114	15,008	1.3%
Wacom	Asset-backed Special Situation	2.8%	-11.7%	-25.0%	21,437	14,895	1.3%
Abrdn European Logistics Income	Closed-ended Fund	5.8%	nm	4.2%	14,007	14,592	1.3%
Shiga Bank	Asset-backed Special Situation	1.1%	22.1%	25.1%	10,577	12,984	1.1%
Top thirty investments					943,767	1,134,166	99.5%

Company	Portfolio classification	% of investee company	IRR (% , GBP) ¹	ROI (% , GBP) ²	Cost £'000 ³	Equity Exposure ⁴ £'000	% of net assets	
Keisei Electric Railway	Asset-backed Special Situation	0.2%	nm	-9.0%	14,065	12,790	1.1%	
Cordiant Digital Infrastructure	Closed-ended Fund	2.6%	nm	-4.0%	13,328	12,760	1.1%	
Balanced Commercial Property Trust	Closed-ended Fund	2.2%	nm	5.5%	12,046	12,617	1.1%	
Kyocera	Asset-backed Special Situation	0.1%	nm	-8.6%	13,430	12,322	1.1%	
Konishi	Asset-backed Special Situation	2.0%	9.8%	50.3%	8,107	11,709	1.0%	
SK Kaken	Asset-backed Special Situation	1.8%	-9.0%	-37.6%	19,056	11,257	1.0%	
TSI Holdings	Asset-backed Special Situation	3.0%	22.9%	15.5%	9,548	10,949	1.0%	
Haw Par Corporation	Holding Company	0.8%	-3.6%	-3.8%	11,360	10,543	0.9%	
DTS	Asset-backed Special Situation	0.9%	10.4%	30.2%	6,957	8,802	0.8%	
LG Corp.	Holding Company	0.1%	nm	-6.5%	8,845	8,085	0.7%	
Top forty investments					1,060,509	1,246,000	109.3%	
VEF	Holding Company	2.3%	-12.0%	-14.9%	4,525	3,417	0.3%	
Seraphim Space Investment	Closed-ended Fund	2.9%	3.6%	4.6%	3,213	3,362	0.3%	
JPEL Private Equity	Closed-ended Fund	18.4%	19.8%	99.3%	1,219	2,865	0.3%	
Shin Etsu Polymer	Asset-backed Special Situation	0.3%	14.8%	20.6%	1,681	1,812	0.2%	
Better Capital (2009)	Closed-ended Fund	17.4%	22.0%	41.1%	1,962	903	0.1%	
Third Point Investors Private Investments	Closed-ended Fund	0.1%	nm	nm	582	545	0.0%	
Ashmore Global Opportunities – GBP	Closed-ended Fund	0.0%	4.8%	10.7%	31	185	0.0%	
Equity investments at fair value					1,073,722	1,259,089	110.5%	
Fair value and gross market exposure of investments⁴						Equity exposure £'000	Fair Value £'000	% of net assets
Total Return Swaps long positions								
Brookfield Class A						39,903	4,470	0.4%
						39,903	4,470	0.4%
Total Return Swaps short positions								
Brookfield Infrastructure Partners Units						(2,286)	279	0.0%
Brookfield Renewable Partners						(2,567)	591	0.1%
Brookfield Asset Management Class A						(18,360)	(3,725)	(0.3%)
						(23,213)	(2,855)	(0.2%)
						16,690	1,615	0.2%
Investments and total return swaps						1,090,412	1,260,704	110.7%
Other net current assets less current liabilities							39,925	3.5%
Non-current liabilities							(161,230)	(14.2%)
Net assets							1,139,399	100.0%

1 Internal Rate of Return. Calculated from inception of AVI Global Trust's investment. Refer to Glossary on page 24.

2 Return on Investment. Calculated from inception of AVI Global Trust's investment. Refer to Glossary on page 24.

3 Cost. Refer to Glossary on page 23.

4 Notional current equity value of investments and swaps. For a full description of the exposure to Brookfield, please see page 44 of the Annual Report for the year to 30 September 2023.

Statement of Comprehensive Income

For the six months ended 31 March 2024 (unaudited)

	Notes	For the six months to 31 March 2024			For the six months to 31 March 2023			For the year to 30 September 2023		
		Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Income										
Investment income	2	9,992	–	9,992	9,400	–	9,400	24,450	–	24,450
Gains on financial assets and financial liabilities held at fair value		–	141,762	141,762	–	49,585	49,585	–	112,909	112,909
Exchange (losses)/gains on currency balances		–	(1,003)	(1,003)	–	(855)	(855)	–	3,138	3,138
		9,992	140,759	150,751	9,400	48,730	58,130	24,450	116,047	140,497
Expenses										
Investment management fee		(1,105)	(2,579)	(3,684)	(1,033)	(2,410)	(3,443)	(2,067)	(4,824)	(6,891)
Other expenses		(1,041)	–	(1,041)	(872)	–	(872)	(1,782)	–	(1,782)
		7,846	138,180	146,026	7,495	46,320	53,815	20,601	111,223	131,824
Profit before finance costs and taxation		7,846	138,180	146,026	7,495	46,320	53,815	20,601	111,223	131,824
Finance costs		(885)	(2,086)	(2,971)	(549)	(1,300)	(1,849)	(1,381)	(3,262)	(4,643)
Exchange gains on revaluation of Loan Notes		–	3,887	3,887	–	777	777	–	6,135	6,135
		6,961	139,981	146,942	6,946	45,797	52,743	19,220	114,096	133,316
Profit before taxation		6,961	139,981	146,942	6,946	45,797	52,743	19,220	114,096	133,316
Taxation		(684)	(2,236)	(2,920)	(747)	–	(747)	821	–	821
		6,277	137,745	144,022	6,199	45,797	51,996	20,041	114,096	134,137
Profit for the period		6,277	137,745	144,022	6,199	45,797	51,996	20,041	114,096	134,137
Earnings per Ordinary Share	3	1.38p	30.28p	31.66p	1.28p	9.42p	10.70p	4.19p	23.83p	28.02p

The total column of this statement is the Income Statement of the Company prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of UK IFRS. The supplementary revenue and capital columns are presented in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies ('AIC SORP').

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

There is no other comprehensive income, and therefore the profit for the six months after tax is also the total comprehensive income.

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity

For the six months ended 31 March 2024 (unaudited)

	Ordinary Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve £'000	Merger reserve £'000	Revenue reserve £'000	Total £'000
For the six months to 31 March 2024							
Balance as at 30 September 2023	10,155	8,780	28,078	910,267	41,406	32,332	1,031,018
Ordinary Shares bought back for cancellation	(232)	232	-	(24,245)	-	-	(24,245)
Total comprehensive income for the period	-	-	-	137,745	-	6,277	144,022
Ordinary dividends paid (see note 6)	-	-	-	-	-	(11,396)	(11,396)
Balance as at 31 March 2024	9,923	9,012	28,078	1,023,767	41,406	27,213	1,139,399
For the six months to 31 March 2023							
Balance as at 30 September 2022	10,741	8,194	28,078	852,839	41,406	28,250	969,508
Ordinary Shares bought back for cancellation	(239)	239	-	(23,206)	-	-	(23,206)
Total comprehensive income for the period	-	-	-	45,797	-	6,199	51,996
Ordinary dividends paid (see note 6)	-	-	-	-	-	(10,258)	(10,258)
Balance as at 31 March 2023	10,502	8,433	28,078	875,430	41,406	24,191	988,040
For the year ended 30 September 2023							
Balance as at 30 September 2022	10,741	8,194	28,078	852,839	41,406	28,250	969,508
Ordinary Shares bought back for cancellation	(586)	586	-	(56,668)	-	-	(56,668)
Total comprehensive income for the year	-	-	-	114,096	-	20,041	134,137
Ordinary dividends paid (see note 6)	-	-	-	-	-	(15,959)	(15,959)
Balance as at 30 September 2023	10,155	8,780	28,078	910,267	41,406	32,332	1,031,018

The accompanying notes are an integral part of these financial statements.

Balance Sheet

As at 31 March 2024 (unaudited)

	Notes	At 31 March 2024 £'000	At 31 March 2023 £'000	At 30 September 2023 £'000
Non-current assets				
Investments held at fair value through profit or loss	8, 9	1,259,089	1,085,399	1,144,759
		1,259,089	1,085,399	1,114,759
Current assets				
Total return swap assets	9	5,340	–	2,174
Trade receivables, prepayments and other debtors		16,026	11,020	45,674
Cash and cash equivalents		39,688	88,983	4,231
		61,054	100,003	52,079
Total assets		1,320,143	1,185,402	1,196,838
Current liabilities				
Total Return Swap liabilities	8, 9	(3,725)	(17,463)	(20,873)
Revolving credit facility	7	(23,547)	(48,613)	–
Trade payables and short term borrowings		(15,790)	(9,151)	(3,398)
		(43,062)	(75,227)	(24,271)
Total assets less current liabilities		1,277,081	1,110,175	1,172,567
Non-current liabilities				
4.184% Series A Sterling Unsecured Loan 2036	8	(29,923)	(29,917)	(29,920)
3.249% Series B Euro Unsecured Loan 2036	8	(25,562)	(26,300)	(25,960)
2.93% Euro Unsecured Loan 2037	8	(16,986)	(17,475)	(17,250)
1.38% JPY Senior Unsecured Loan Note 2032	8	(41,710)	(48,443)	(43,761)
1.44% JPY Senior Unsecured Loan Notes 2033	8	(23,501)	–	(24,658)
		(137,682)	(122,135)	(141,549)
Net assets		1,139,399	988,040	1,031,018
Equity attributable to equity shareholders				
Ordinary Share capital	5	9,923	10,502	10,155
Capital redemption reserve		9,012	8,433	8,780
Share premium		28,078	28,078	28,078
Capital reserve		1,023,767	875,430	910,267
Merger reserve		41,406	41,406	41,406
Revenue reserve		27,213	24,191	32,332
Total equity		1,139,399	988,040	1,031,018
Net asset value per Ordinary Share – basic and diluted	4	252.88p	206.05p	223.08p
Number of shares in issue excluding treasury	5	450,576,787	479,504,811	462,173,682

The accompanying notes are an integral part of these financial statements.

Registered in England & Wales No. 28203

Statement of Cash Flows

For the six months ended 31 March 2024 (unaudited)

	Six months to 31 March 2024 £'000	Six months to 31 March 2023 £'000	Year to 30 September 2023 £'000
Reconciliation of profit/(loss) before taxation to net cash (outflow)/inflow from operating activities			
Profit before taxation	146,942	52,743	133,316
Gains on investments held at fair value through profit or loss	(141,762)	(49,585)	(112,909)
Decrease/(increase) in other receivables	29,140	(1,704)	(39,985)
Increase in other payables	125	157	1,004
Taxation (paid)/received	(2,884)	(747)	671
Exchange gains on Loan Notes and revolving credit facility	(5,118)	(1,310)	(10,921)
Amortisation of loan issue expenses	22	21	39
Net cash inflow/(outflow) from operating activities	26,465	(425)	(28,785)
Investing activities			
Purchases of investments	(371,272)	(330,097)	(516,837)
Sales of investments	390,663	338,029	527,529
Net cash inflow from investing activities	19,391	7,932	10,692
Financing activities			
Dividends paid	(11,396)	(10,258)	(15,959)
Payments for Ordinary Shares bought back	(23,800)	(24,885)	(58,722)
Drawdown of revolving credit facility	24,777	49,144	49,144
Repayment of revolving credit facility	-	-	(44,359)
Issue of loans net of costs	-	-	24,753
Cash (outflow)/inflow from financing activities	(10,419)	14,001	(45,143)
Increase/(decrease) in cash and cash equivalents	35,437	21,508	(63,236)
Reconciliation of net cash flow movements in funds:			
Cash and cash equivalents at beginning of year	4,231	67,274	67,274
Exchange rate movements	20	201	193
Increase/(decrease) in cash and cash equivalents	35,437	21,508	(63,236)
Increase/(decrease) in net cash	35,457	21,709	(63,043)
Cash and cash equivalents at end of year	39,688	88,983	4,231

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

For the six months ended 31 March 2024 (unaudited)

1. Significant accounting policies

The condensed financial statements of the Company have been prepared in accordance with UK-adopted international accounting standards and the AIC SORP.

In the current period, the Company has applied amendments to IFRS issued by the IASB adopted in conformity with UK IFRS. These include annual improvements to IFRS, changes in standards, legislative and regulatory amendments, changes in disclosure and presentation requirements. The adoption of these has not had any material impact on these financial statements and the accounting policies used by the Company followed in these half-year financial statements are consistent with the most recent Annual Report for the year ended 30 September 2023.

Going concern

The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company will continue to be met.

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these financial statements were approved.

In making the assessment, the Directors of the Company have considered the likely impacts of international and economic uncertainties on the Company, operations and the investment portfolio. The Directors also regularly assess the resilience of key third-party service providers, most notably the Investment Manager and Company Administrator. In making their assessment, the Directors have considered the likely impacts of international and economic uncertainties on the Company, operations and the investment portfolio. These include, but are not limited to, geopolitical events, the war in Ukraine, the ongoing Israel/Palestine conflict, political and economic instability in the UK and inflationary pressures.

The Directors noted that the Company, with the current cash balance and holding a portfolio of liquid listed investments, is able to meet the obligations of the Company as they fall due. The current cash balance plus available additional borrowing, through the revolving credit facility, enables the Company to meet any funding requirements and finance future additional investments. The Company is a closed-end fund, where assets are not required to be liquidated to meet day-to-day redemptions.

The Directors have completed stress tests assessing the impact of changes in market value and income with associated cash flows. In making this assessment, they have considered severe but plausible downside scenarios and simulated a 50% reduction in NAV during July 2024, the impact on future cash flows as a result of this through to September 2028 and the expiry of the revolving credit facility on 26 August 2024. The conclusion was that in a severe but plausible downside scenario the Company could continue to meet its liabilities. Whilst the economic future is uncertain, and the Directors believe that it is possible the Company could experience further reductions in income and/or market value, and changes in expenses, the opinion of the Directors is that this should not be to a level which would threaten the Company's ability to continue as a going concern.

The Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, borrowing facilities and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on the going concern basis.

Comparative information

The financial information contained in this Half Year Report does not constitute statutory accounts as defined in the Companies Act 2006. The financial information for the half-year period ended 31 March 2024 has not been audited or reviewed by the Company's Auditor.

The comparative figures for the financial year ended 30 September 2023 are not the Company's statutory accounts for that financial year. The statutory accounts for the year to 30 September 2023 were reported on by the Company's Auditor and delivered to the Registrar of Companies. The report of the Auditor was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

2. Income

	Six months to 31 March 2024 £'000	Six months to 31 March 2023 £'000	Year to 30 September 2023 £'000
Income from investments			
UK dividends	–	141	296
UK REIT dividends	175	–	–
Overseas dividends	8,574	8,219	21,544
Income from fixed interest securities	–	240	240
	8,749	8,600	22,080
Other income			
Deposit interest	1,744	1,194	3,005
Total Return Swap dividends*	(437)	(229)	(416)
Total Return Swap interest*	–	(60)	–
Exchange losses on receipt of income**	(64)	(105)	(421)
Interest received on corporation tax refunds	–	–	202
Total income	9,992	9,400	24,450

* Net income (paid)/received on underlying holdings in Total Return Swaps.

** Exchange movements arise from ex-dividend date to payment date.

3. Earnings per Ordinary Share

	Six months to 31 March 2024		
	Revenue	Capital	Total
Basic and diluted			
Net profit (£'000)	6,277	137,745	144,022
Weighted average number of Ordinary Shares			454,904,327
Earnings per Ordinary Share	1.38p	30.28p	31.66p
	Six months to 31 March 2023		
Basic and diluted	Revenue	Capital	Total
Net profit (£'000)	6,199	45,797	51,996
Weighted average number of Ordinary Shares			486,120,276
Earnings per Ordinary Share	1.28p	9.42p	10.70p
	Year to 30 September 2023		
Basic and diluted	Revenue	Capital	Total
Net profit (£'000)	20,041	114,096	134,137
Weighted average number of Ordinary Shares			478,739,622
Earnings per Ordinary Share	4.19p	23.83p	28.02p

There are no dilutive instruments issued by the Company. Both the basic and diluted earnings per share for the Company are represented above.

4. Net asset value

	31 March 2024		31 March 2023		30 September 2023	
	NAV per Ordinary Share Pence	Net asset value attributable £'000	NAV per Ordinary Share Pence	Net asset value attributable £'000	NAV per Ordinary Share Pence	Net asset value attributable £'000
Basic and diluted	252.88	1,139,399	206.05	988,040	223.08	1,031,018

Net asset value per Ordinary Share is based on net assets and on 450,576,787 Ordinary Shares (31 March 2023: 479,504,811, 30 September 2023: 462,173,682), being the number of Ordinary Shares in issue excluding treasury shares.

Notes to the Financial Statements continued

For the six months ended 31 March 2024 (unaudited)

5. Share capital

	Number of shares	Nominal value £'000
Allotted, called up and fully paid		
Ordinary Shares of 2p each (2023: 2p)		
Balance at beginning of the year	507,774,638	10,155
Ordinary Shares bought back and cancelled	(11,596,895)	(232)
Balance at end of the year	496,177,743	9,923
Treasury shares		
	Number of shares	
Balance at beginning of the year	45,600,956	
Balance at end of the year	45,600,956	
Total Ordinary Share capital excluding treasury shares	450,576,787	

Ordinary Shares of 2p each

During the six months ended 31 March 2024, 11,596,895 Ordinary Shares of 2p were bought back and cancelled for an aggregate consideration of £24,245,000. No shares were bought back and placed in treasury.

The allotted, called up and fully paid shares at 31 March 2024 consisted of 496,177,743 Ordinary Shares of 2p each in issue, and 45,600,956 Ordinary Shares held in treasury. The total voting rights attaching to Ordinary Shares in issue and ranking for dividends were 450,576,787.

6. Dividends

During the period, the Company paid a final dividend of 2.30p per Ordinary Share and a special dividend of 0.20p per Ordinary Share for the year ended 30 September 2023 on 4 January 2024 to Ordinary shareholders on the register at 1 December 2023 (ex-dividend 30 November 2023).

An interim dividend of 1.2p per Ordinary Share for the period ended 31 March 2024 has been declared and will be paid on 19 July 2024 to Ordinary shareholders on the register at the close of business on 21 June 2024 (ex-dividend 20 June 2024).

7. Revolving credit facility

	31 March 2024		31 March 2023		30 September 2023	
	¥'000	£'000	¥'000	£'000	¥'000	£'000
Opening balance	-	-	-	-	-	-
Proceeds from amounts drawn	4,500,000	24,777	8,000,000	49,144	8,000,000	49,144
Repayment	-	-	-	-	(8,000,000)	(44,359)
Exchange rate movement	-	(1,230)	-	(531)	-	(4,785)
Total	4,500,000	23,547	8,000,000	48,613	-	-

The terms of the unsecured revolving credit facility ('the facility') are set out in the Annual Report. The facility available is JPY 12.0bn with drawings available in Japanese Yen, Pounds Sterling, US Dollars, and Euros. Repayments are at the discretion of the Company, within the terms of the agreement with Scotiabank Europe Plc which will mature on 26 August 2024.

8. Values of financial assets and financial liabilities

Valuation of financial instruments

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value is the amount for which the asset could be sold or the liability transferred in an orderly transaction between market participants, at the measurement date, other than a forced or liquidation sale.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

- Level 1 – valued using quoted prices, unadjusted in active markets for identical assets or liabilities.
- Level 2 – valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included in Level 1.
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

Financial assets

The table below sets out fair value measurements of financial instruments as at the period end, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Financial assets at fair value through profit or loss at 31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,257,457	–	1,632	1,259,089
Total return swaps	–	5,340	–	5,340
	1,257,457	5,340	1,632	1,264,429

Financial assets at fair value through profit or loss at 31 March 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,077,126	–	8,273	1,085,399
	1,077,126	–	8,273	1,085,399

Financial assets at fair value through profit or loss at 30 September 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,142,936	–	1,823	1,144,759
Total return swaps	–	2,174	–	2,174
	1,142,936	2,174	1,823	1,146,933

Fair value of Level 3 investments

The following table summarises the Company's Level 3 investments that were accounted for at fair value:

	31 March 2024 £'000	31 March 2023 £'000	30 September 2023 £'000
Opening fair value	1,823	25,431	25,431
Acquisition	–	–	583
Sales – proceeds	–	(14,654)	(21,715)
Realised losses on equity sales	–	(943)	(1,687)
Movement in investment holding losses	(191)	(1,561)	(789)
Closing fair value	1,632	8,273	1,823

The fair values of the Level 3 investments are valued with reference to the net asset value.

Notes to the Financial Statements continued

For the six months ended 31 March 2024 (unaudited)

8. Values of financial assets and financial liabilities continued

Financial liabilities

Valuation of Loan Notes

The Company's Loan Notes are measured at amortised cost, with the fair values set out below. Other financial assets and liabilities of the Company are carried in the Balance Sheet at an approximation to their fair value.

	At 31 March 2024		At 31 March 2023		At 30 September 2023	
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
4.184% Series A Sterling Unsecured Loan Notes 2036	(29,923)	(26,477)	(29,917)	(26,461)	(29,920)	(25,051)
3.249% Series B Euro Unsecured Loan Notes 2036	(25,562)	(23,678)	(26,300)	(22,811)	(25,960)	(22,158)
2.93% Euro Senior Unsecured Loan Notes 2037	(16,986)	(15,063)	(17,475)	(14,395)	(17,250)	(13,936)
1.38% JPY Senior Unsecured Loan Note 2032	(41,710)	(39,147)	(48,443)	(47,366)	(43,761)	(40,584)
1.44% JPY Senior Unsecured Loan Notes 2033	(23,501)	(21,963)	–	–	(24,658)	(22,758)
Total	(137,682)	(126,328)	(122,135)	(111,033)	(141,549)	(124,487)

There is no publicly available price for the Company's Loan Notes; their fair market value has been derived by calculating the relative premium (or discount) of the loan versus the publicly available market price of the reference market instrument and exchange rates. As this price is derived by a model, using observable inputs, it would be categorised as Level 2 under the fair value hierarchy.

The financial liabilities in the table below are shown at their fair value, being the amount at which the liability may be transferred in an orderly transaction between market participants. The costs of early redemption of the Loan Notes are set out in the Glossary on page 24.

Financial liabilities at 31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Loan Notes	–	(126,328)	–	(126,328)
Total Return Swap liabilities	–	(3,725)	–	(3,725)
	–	(130,053)	–	(130,053)

Financial liabilities at 31 March 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Loan Notes	–	(111,033)	–	(111,033)
Total Return Swap liabilities	–	(17,463)	–	(17,463)
	–	(128,496)	–	(128,496)

Financial liabilities at 30 September 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Loan Notes	–	(124,487)	–	(124,487)
Total Return Swap liabilities	–	(20,873)	–	(20,873)
	–	(145,360)	–	(145,360)

The fair value of the Total Return Swaps is derived using the market price of the underlying instruments and exchange rates and therefore would be categorised as Level 2.

The Company's interests in investee companies are set out in the Investment Portfolio on pages 10 and 11.

9. Derivatives

The Company may use a variety of derivative contracts including Total Return Swaps to enable the Company to gain long and short exposure to individual securities. Derivatives are valued by reference to the underlying market value of the corresponding security.

	At 31 March 2024 £'000	At 31 March 2023 £'000	At 30 September 2023 £'000
Total Return Swaps			
Current assets	5,340	–	2,174
Current liabilities	(3,725)	(17,463)	(20,873)
Net value of derivatives	1,615	(17,463)	(18,699)

The gross positive exposure on Total Return Swaps as at 31 March 2024 was £39,903,000 (31 March 2023: £48,698,000, 30 September 2023: £70,934,000) and the total negative exposure of Total Return Swaps was £23,213,000 (31 March 2023: £71,837,000, 30 September 2023: £46,986,000). The liabilities are secured against assets held with Jefferies International Limited (the 'prime broker'). The collateral held as at 31 March 2024 was £9,496,000 (31 March 2023: £37,203,000, 30 September 2023: £39,325,000) which is included in cash and cash equivalents in the Balance Sheet.

10. Related parties and transactions with the Investment Manager

The Company paid management fees to Asset Value Investors Limited during the period amounting to £3,056,000 (six months to 31 March 2023: £3,443,000; year ended 30 September 2023: £6,891,000). At the half-year end, the following amounts were outstanding in respect of management fees: £629,000 (31 March 2023: £nil; 30 September 2023: £573,000).

Fees paid to the Company's Directors for the six months ended 31 March 2024 amounted to £98,000 (six months to 31 March 2023: £91,000; year ended 30 September 2023: £190,000).

11. Post Balance Sheet events

Since the period end and up to 29 May 2024, the Company has bought back 2,865,116 shares for an aggregate consideration of £6,761,000.

Principal Risks and Uncertainties

The principal long-term risks facing the Company are mostly unchanged since the date of the Annual Report 2023, as set out on pages 13 to 15 of that report. In addition, the Board is currently monitoring emerging risks attached to the upcoming UK General Election and in particular the potential delays the Election may cause for decisions to be made on changes to the cost disclosure regime as discussed in the Chairman's Statement on page 2.

Risks faced by the Company include, but are not limited to: loss of value in the portfolio, gearing, foreign exchange, liquidity, key staff, discount, outsourcing, ESG, geopolitical and macroeconomic. Details of the Company's management of these risks and exposure to them are set out in the Annual Report 2023.

Directors' Responsibility Statement

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with the applicable set of accounting standards; and gives a true and fair view of the assets, liabilities and financial position and return of the Company; and
- this Half Year Report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

This Half Year Report was approved by the Board of Directors on 4 June 2024 and the above responsibility statement was signed on its behalf by Graham Kitchen, Chairman.

Graham Kitchen
Chairman

4 June 2024

Glossary

Alternative Performance Measure ('APM')

An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework.

Comparator Benchmark

The Company's Comparator Benchmark is the MSCI All Country World Index, expressed in Sterling terms. The benchmark is an index which measures the performance of global equity markets, both developed and emerging. The weighting of index constituents is based on their market capitalisation. Dividends paid by index constituents are assumed to be reinvested in the relevant securities at the prevailing market price. The Investment Manager's investment decisions are not influenced by whether a particular company's shares are, or are not, included in the benchmark. The benchmark is used only as a yard stick to compare investment performance.

Cost

The book cost of each investment is the total acquisition value, including transaction costs, less the value of any disposals or capitalised distributions allocated on a weighted average cost basis.

In the case of Total Return Swaps, cost is defined as the notional cost of the position.

Derivatives

The Company may use a variety of derivative contracts to gain long and short exposure. This enables the Company to gain exposure to specific securities and markets with reduced capital requirements enhancing returns where the underlying asset grows in value (or losses if falls in value). Total Return Equity Swaps (which are synthetic equities) are valued by reference to the market values of the investments' underlying securities. The sources of the return under the Equity Swap contracts (e.g. notional dividends, financing costs, interest returns and realised and unrealised gains and losses) are allocated to the revenue and capital accounts in alignment with the nature of the underlying source of income.

Discount/Premium (APM)

If the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price of 231.50p from the NAV per share with debt at fair value of 255.40p and is usually expressed as a percentage of the NAV per share with debt at fair value. If the share price is higher than the NAV per share, this situation is called a premium. At 31 March 2024 the discount was 9.4%.

The discount and performance are calculated in accordance with guidelines issued by the AIC. The discount is calculated using the net asset values per share inclusive of accrued income with debt at fair value.

Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA')

A proxy for the cash flow generated by a business – it is most commonly used for businesses that do not (yet) generate operating or shareholder profits.

Enterprise value ('EV')

A measure of a company's total value, including any debt on its balance sheet.

Enterprise value/forward EBITDA ('EV/fwd EBITDA')

A tool used to compare the value of the whole company, debt included, to the company's next year forecasted earnings before interest, taxes, depreciation and amortisation.

EV/EBIT

A tool used to compare the value of the whole company, debt included, to the company's earnings before interest and taxes.

EV/EBITDA

A tool used to compare the value of the whole company, debt included, to the company's earnings before interest, taxes, depreciation and amortisation.

Expense Ratio (APM)/Ongoing Charges Ratio

As recommended by the AIC in its current guidance, the Company's Ongoing Charges Ratio is the sum of: (a) its Expense Ratio; and (b) the underlying charges* incurred at the underlying funds in which the Company has investments, weighted for the value of the investment in each underlying fund as a percentage of the Company's NAV. For a detailed discussion of the Expense Ratio, please see the discussion of Key Performance Indicators in the Annual Report 2023.

Expense Ratio Calculation	£'000
Expenses (for the six months to 31 March 2024)	
Investment management fee	3,684
Other administrative expenses	1,041
Less one-time costs	(50)
Total management fee and other administrative expenses (for the six months to 31 March 2024)	4,675
Average net assets (for the six months to 31 March 2024)	1,065,794
Annualised Expense Ratio	0.88%

A reconciliation of the Ongoing Charges to the Expense Ratio as at 31 March 2024 is provided below:

Expense Ratio (a Key Performance Indicator)	a	0.88%
Underlying Charges Ratio*	b	0.48%
Ongoing Charges Ratio	= a + b	1.36%

* The Underlying Charges Ratio represents an allocation of the management fees and other expenses charged by the underlying investments held in the portfolio of the Company. Performance related fees, such as carried interest, are excluded from this figure.

Gearing (APM)

Gearing refers to the ratio of the Company's debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

The gross and net gearing reconciliation calculations are provided below:

	31 March 2024	30 September 2023	
Gross gearing (Debt at Par)			
Debt (£'000)	(161,229)	(141,549)	a
NAV (£'000)	1,139,399	1,031,018	b
Gross Gearing	14.2%	13.7%	=a/b

	31 March 2024	30 September 2023	
Net gearing (Debt at Par)			
Current Assets (inc. Cash) (£'000)	55,714	52,079	a
Current Liabilities (£'000)	(15,790)	(3,398)	b
Debt (£'000)	(161,229)	(141,549)	c
Net Debt (£'000)	(121,305)	(92,868)	d=a+b+c
NAV (£'000)	1,139,399	1,031,018	e
Net Gearing	10.6%	9.0%	d/e

Glossary continued

	31 March 2024	30 September 2023	
Gross gearing (Debt at Fair)			
Debt (£'000)	(149,874)	(124,487)	a
NAV at Fair Value (£'000)	1,150,754	1,048,080	b
Gross Gearing	13.0%	11.9%	=a/b
Net gearing (Debt at Fair Value)			
Current Assets (inc. Cash) (£'000)	55,714	52,079	a
Current Liabilities (£'000)	(15,790)	(3,398)	b
Debt at Fair Value (£'000)	(149,874)	(124,487)	c
Net Debt (£'000)	(109,950)	(75,806)	d=a+b+c
NAV at Fair Value (£'000)	1,150,754	1,048,080	e
Net Gearing	9.6%	7.2%	d/e

The current values of the Loan Notes and revolving credit facility consist of the following:

	2036 GBP loan £'000	2036 EUR loan £'000	2037 EUR loan £'000	2032 JPY 8bn loan £'000	2033 JPY revolving loan £'000	JPY credit facility £'000	Total £'000
Value of issue	30,000	22,962	17,526	49,516	24,802	24,777	169,583
Unamortised issue costs	(77)	(58)	(94)	(152)	(46)	-	(427)
Exchange movement	-	2,658	(446)	(7,654)	(1,255)	(1,230)	(7,927)
Amortised book cost	29,923	25,562	16,986	41,710	23,501	23,547	161,229
Fair value	26,477	23,678	15,063	39,147	21,963	23,547	149,875
Redemption value	30,425	27,840	17,997	38,518	25,256	23,547	163,583

The fair value and redemption value of the Loan Notes are calculated using net present values of future cash flows, calculated utilising the prevailing yields, taking account of the market spread and exchange rates. The redemption value of the Loan Notes includes penalties payable on early redemption. The interest rates and the term of the non-current liabilities (Loan Notes) are fixed, the Revolving Credit Facility is floating with any drawdowns repayable at the discretion of the Company subject to the terms of the agreement.

The Loan Notes and Revolving Credit Facility are included in the Financial Statements at amortised book cost of £161,229,000. The impact of holding the Loan Notes and RCF at fair value – (debt at fair value) would reduce the liability to £149,875,000, increasing the Company's net assets by £11,354,000. The redemption value of the Loan Notes includes penalties payable on early redemption.

Internal Rate of Return ('IRR')

The IRR is the annualised rate of return earned by an investment, adjusted for dividends, purchases and sales, since the holding was first purchased.

In some instances, we display 'nm' instead of IRR figures in the Investment Portfolio table. In most instances, this is done if the holding period is less than three months, as annualising returns over short-term periods can produce misleading numbers.

LTM EBITDA

Last twelve months earnings before interest, tax, depreciation, and amortisation.

Net Asset Value ('NAV') per share

The NAV is shareholders' funds expressed as an amount per individual share. Shareholders' funds are the total value of all the Company's assets, at current market value, having deducted all liabilities including debt at amortised cost revalued for exchange rate movements. The total NAV per share is calculated by dividing shareholders' funds of £1,139,399,000 (30 September 2023: £1,031,018,000) by the number of Ordinary Shares in issue excluding treasury shares of 450,576,787 (30 September 2023: 462,173,682) at 31 March 2024.

The adjusted NAV per share (debt at fair value) incorporates the debt at fair value instead of at amortised cost, increasing the NAV by £11,355,000 (30 September 2023: £17,062,000), due to the Fair Value of the Loan Notes being lower than amortised cost. This is calculated by the original NAV of £1,139,399,000 (30 September 2023: £1,031,018,000) less the Loan Notes at amortised cost £137,682,000 (30 September 2023: £141,549,000), adding back the fair value of the Loan Notes £126,327,000 (30 September 2023: £124,487,000), the revolving credit facility remains unchanged at £23,547,000 (30 September 2023: £nil). The adjusted NAV (debt at fair value) £1,150,754,000 (30 September 2023: £1,048,080,000) divided by the number of Ordinary Shares in issue excluding treasury shares of 450,576,787 at 31 March 2024 (30 September 2023: 462,173,682) provides the adjusted NAV per share (debt at fair value) of 255.40p.

Portfolio weighted-average discount

The portfolio weighted-average discount is calculated as being the sum of the products of each holding's weight in AGT's portfolio times its discount. AVI calculates an estimated sum-of-the-parts NAV per share for each holding in AGT's portfolio. This NAV is compared with the share price of the holding in order to calculate a discount.

Return on Investment ('ROI')

The ROI is the total profits earned to date on an investment divided by the total cost of the investment.

Shares bought back and held in treasury

The Company may repurchase its own shares and shares repurchased may either be cancelled immediately or held in treasury. Shares repurchased, whether cancelled or held in treasury, do not qualify to vote at shareholder meetings or receive dividends. Share repurchases may increase earnings per share. Further, to the extent that shares are repurchased at a price below the prevailing net asset value per share, this will enhance the net asset value per share for remaining shareholders.

Total Return – NAV and Share Price Returns

The combined effect of any dividends paid, together with the rise or fall in the share price or NAV. Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares in the Company or in the assets of the Company at the prevailing NAV, in either case at the time that the shares begin to trade ex-dividend. An annualised return is the average compound annual return, for return data over a period of time longer than a year.

Weight

Weight is defined as being each position's value as a percentage of total assets less current liabilities.

Shareholder Information

Dividends

Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandate forms may be obtained from Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA on request or downloaded from Equiniti's website www.shareview.co.uk. The Company operates the BACS system for the payment of dividends. Where dividends are paid directly into shareholders' bank accounts, dividend tax vouchers are sent to shareholders' registered addresses.

Share Prices

The Company's Ordinary Shares are listed on the London Stock Exchange under 'Investment Trusts'. Prices are published daily in The Financial Times, The Times, The Daily Telegraph, The Scotsman and The Evening Standard.

Change of Address

Communications with shareholders are mailed to the last address held on the share register. Any change or amendment should be notified to Equiniti Limited at the address given above, under the signature of the registered holder.

Daily Net Asset Value

The net asset value of the Company's shares can be obtained by contacting Customer Services on 020 7659 4800 or via the website: www.aviglobal.co.uk.

Company Information

Directors

Graham Kitchen (Chairman)
Anja Balfour
Neil Galloway
June Jessop
Calum Thomson

Secretary

Link Company Matters Limited
6th Floor
65 Gresham Street
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Tel: 0333 300 1950

Registered Office

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Leeds LS1 4DL
Registered in England & Wales
No. 28203

Investment Manager and AIFM

Asset Value Investors Limited
2 Cavendish Square
London W1G 0PU

Registrar and Transfer Office

Equiniti Limited
Aspect House
Spencer Road
Lancing
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Registrar's website

www.shareview.co.uk

Lines are open 8.30am to 5.30pm,
Monday to Friday.

Company Administrator

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Administrators Limited
Broadwalk House
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Corporate Broker

Panmure Gordon (UK) Limited
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London EC3V 0BT

Auditor

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55 Baker Street
London W1U 7EU

Depository

J.P. Morgan Europe Limited
25 Bank Street
London E14 5JP

Banker and Custodian

JPMorgan Chase Bank NA
125 London Wall
London EC2Y 5AJ



HOW TO INVEST

AGT is a closed-ended investment trust with shares listed on the London Stock Exchange and part of the FTSE 250 Index. Shares in AGT can be bought directly on the London Stock Exchange or through investment platforms.



For more information visit: www.aviglobal.co.uk



